



<i>Wednesday, September 17, 2014</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Dec</i>	<i>3.42</i>	↓	<i>3</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Nov</i>	<i>9.82</i>	↓	<i>11</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Dec</i>	<i>4.99</i>	↓	<i>21</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Dec</i>	<i>5.63</i>	↓	<i>47</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Dec</i>	<i>5.82</i>	↓	<i>19</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Dec</i>	<i>0.9114</i>	↑	<i>02</i>	<i>points</i>

CORN:

Corn futures fell to new lows last week in conjunction with the U.S. Department of Agriculture's (USDA's) September Crop Production report, pegging the crop at 14.4 billion bushels, up 363 million bushels from August and 100 million bushels above trade estimates. We have now broken through the floor of \$3.50 on the nearby month and this trend still looks very much intact. As we said last week, we are likely to go fishing for stops below that \$3.25 level before we take aim at the next major support level of \$3.00 corn.

One thing to remember is that all markets change their trend in time, but before that happens we also are given many opportunities to rethink our individual situation in the form of market rallies or upward price moves. This allows us an opportunity to sell some product at a price that may not appeal to you today but in fact may look good two months from now. The major trend is down and before this market turns the corner we could see lower prices given the extent of the anticipated supply on the horizon for the coming harvest.

SOYBEANS:

Chinese imports of U.S. soybeans could plunge by as much as 25 per cent in the crop year that began this month after processing margins in the country fell to their lowest in two years, industry sources said.

The potential drop in shipments to the world's biggest buyer of the commodity comes as the United States is gearing up to harvest a record soybean crop, piling more pressure on benchmark prices that this week hit their lowest in four years.

As we approach soybean harvest season, we could see major volatility resulting in as much as a full dollar range in a single week as the real scope of the harvest comes into focus and the true supply and demand situation sorts itself out. This could be the result of unknown factors coming into play or simply short covering by hedge fund managers and speculators. Either way, it isn't



likely to be a trend changing move. Meanwhile, planning for next year's crops begins amid this backdrop to add further volatility to the markets.

On the charts, the next major support is seen between \$9.00 and \$9.35 on the lead month. Major overhead resistance is still around the \$12-12.50 level on the lead month contract.

WHEAT:

Standard Chartered cut by up to \$0.95 a bushel its forecasts for Chicago wheat prices, taking them, for more distant contracts, well below the level that investors are pricing in.

The downgrade reflected the abundant world harvest this season, pegged by the USDA at a record 720m tonnes, backed by an excellent harvest in the former Soviet Union – renowned as an exporter of competitively-priced wheat.

U.S. wheat is still overpriced in the world market, despite a weaker dollar and the significant drop in Chicago prices. This is due in part to the bumper global harvest, weaker demand from key importers and competitively priced Black Sea wheat.

On the charts, Chicago wheat for December is trading at \$5.00 a bushel as of this writing and the key indicators are showing oversold conditions but the trend still remains negative. I still expect to see a test of the \$4.50 level basis the lead month before the December contract expires. There will be a lot of stop orders below that level which could cause an exaggerated drop before we settle down and find some support.